North Central Regional Transit District
Board Meeting
Friday, August 2, 2013
9:00 a.m. - 1:00 p.m.

CALL TO ORDER:

A regular meeting of the North Central Regional Transit District Board was called to order on the above date by Commissioner Dan Barrone, Chair, at 9:15 a.m. at the Jim West Transit Center, 1327 Riverside Drive, Española, New Mexico.

1. **Pledge of Allegiance**

2. **Moment of Silence**

3. **Roll Call**

Ms. Lucero called the roll and it indicated the presence of a quorum as follows:

Members Present:	**Elected Members**	**Alternate Designees**
Los Alamos County		*Mr. Philo Shelton III*
Rio Arriba County	Absent	
Taos County	*Commissioner Daniel Barrone*	
Santa Fé County		*Commissioner Miguel Chávez*
Nambé Pueblo	Absent	
Pojoaque Pueblo	Absent	
Ohkay Owingeh	*Ms. Christy Mermejo*	

San Ildefonso Pueblo	*Ms. Lillian Garcia*	
Santa Clara Pueblo	Absent	
Tesuque Pueblo	Absent	
City of Santa Fé		*Mr. Jon Bulthuis*
City of Española	*Councilor Dennis Tim Salazar*	
Town of Edgewood	*Councilor Chuck Ring*	
Rio Metro (ex officio)	Absent	

Staff Members Present
Mr. Anthony J. Mortillaro, Executive Director
Ms. Glenda Aragon, Financial Manager
Mr. Gus Martínez, Fleet and Facilities Maintenance Manager
Ms. Dalene Lucero, Executive Assistant
Mr. Mike Kelly, Transit Operations Manager

Others Present
Mr. Peter Dwyer, Legal Counsel
Mr. Carl Boaz, Stenographer
Mr. Frank Burcham, Clean Cities
Mr. Colin Messer, NMED
Mr. Erick Aune, Santa Fé County

4. INTRODUCTIONS

All present introduced themselves to the Board.

5. APPROVAL OF AGENDA

Mr. Mortillaro asked to amend item E to add at end of sentence to appoint a referendum committee.

Councilor Ring moved to approve the agenda as amended. Commissioner Chávez seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Española, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against.

6. APPROVAL OF MINUTES – July 12, 2013

Commissioner Chávez moved to approve the minutes of July 12, 2013 as presented. Chair Barrone seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Española, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against.

7. PUBLIC COMMENTS

There were no public comments.

8. PRESENTATIONS

There were no presentations.

Mr. Bulthuis arrived at this time.

9. ACTION ITEMS FOR APPROVAL/DISCUSSION

A. Discussion and Consideration of Fleet Purchase with the use of State Capital Outlay Funds

Mr. Mortillaro explained that during the last legislative session the District had requested an appropriation for bus replacement and $170,000 was appropriated. He would like the Board to authorize an expenditure from these funds.

Mr. Gus Martínez said on February 1, 2013, the Board approved a purchase agreement the District had solicited in December, 2012. Off of that contract the District would purchase two 20- passenger buses to replace two 18-passenger buses that were aged at a cost of $167,000.

The second section (in the packet) showed the options and how they chose them.

Commissioner Chávez understood it would be capital outlay and the action requested was for $167,000 to purchase two buses with upgrades. Mr. Martínez agreed.

Chair Barrone asked if the remaining $3,000 would have to be returned or if there was another option.

Mr. Mortillaro said when he submitted this request and provided information to the State, he had indicated the District would buy buses or use the funds for a match on larger bus purchases. For the $3,000 remaining, he would like to use it as match for a future 5311 purchase. He agreed to confirm that with the State to make sure there were no surprises.

Mr. Shelton understood this was for the purchase with the vendor but asked if they would need to buy equipment to add to it.

Mr. Martínez said the only thing not included was the AVL.

Ms. Mermejo asked if they would have any difficulty with release of these funds on the 2012 audit.

Ms. Aragon said it was submitted and they had no problem.

Mr. Mortillaro explained that they submitted in December, 2012.

Ms. Mermejo thought there might be some hold up because of the IGA's by the end of the month.

Mr. Mortillaro clarified that the District would not make the purchase until he got agreement from the State.

Ms. Mermejo noted that there were 122 projects in New Mexico on freeze right now because of audits. Ohkay Owingeh was waiting for IGAs that have been delayed.

Mr. Mortillaro said DFA had no problem with RTD audits.

Councilor Ring said Edgewood has had a capital outlay request delay because their audit wasn't taken care of correctly but they proved otherwise. He thought everyone was going to suffer because of that. There were only minor findings and that shouldn't be a reason to hold monies back.

Mr. Bulthuis asked for details on the equipment.

Mr. Martínez described the Chevy 20-passenger model.

Mr. Dwyer added that it was done by sole-source procurement.

There was no public comment.

Commissioner Chávez moved to approve the Fleet Purchase with the use of State Capital Outlay Funds. Councilor Salazar seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Española, City of Santa Fé, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against.

B. Discussion and Direction Regarding the Alternative Fuels Analysis and future Use in District Fleet

Mr. Mortillaro said one of the District's goals was to ascertain ways to reduce fuel consumption and be more environmentally sustainable. He tasked Mr. Kelly and Mr. Martínez to look into it. A state representative was also here to address it.

Mr. Kelly said alternative fuels had been on the platform of lots of organizations - not only to save money but also to leave a smaller carbon footprint. It was always right when they reduced pollutants even if it cost more money. We want to leave our skies clear.

He introduced Colin Messer (NMED) and Frank Burcham (Clean Cities) to address alternative fuels in the market. He commended the City of Santa Fé for pioneering CNG. They were the first in the nation to convert their fleet 20 years ago. They were the pioneers to look at. Where we have vehicles spread out, we have to find the right thing that works for us. So we need to have fuel available in various locations.

Mr. Burcham thanked the Board. He noted, as Mr. Kelly had mentioned, that there were several types of alternative fuels being used around the state. This was important for budgets. Alternative fuels help the economy and clean the air. A lot of people think there was only one that was the answer but that was not true.

Mr. Burcham said he was with the DOE Coalition for Clean Cities. He shared the Clean Cities Mission to reduce petroleum use in transportation. They started in 1992 with the passage of the Energy Policy Act. The goal was to reduce petroleum by 2.5 million gallons per year. He showed the locations of coalitions around the country. The New Mexico Board meets bimonthly.

Petroleum for the country was produced in the US at about 51% and imported was 49%. 25% came from Canada, 12% from Saudi Arabia, 11% from Nigeria, 10% from Venezuela and 9% from Mexico.

There were four alternatives to petroleum: biodiesel, electricity, natural gas and propane. He didn't include ethanol or hydrogen. Biodiesel was domestically produced from waste oils, fats and grease. It could be done locally but there were questions on volume and quality. It usually was mixed up to 20% with diesel. Filter replacement was costly.

1) B-20 was the most common blend in the US. It was suitable for nearly all unmodified diesel engines. B-5 requires no new modifications to the engine.

2) Electricity: was used for hybrids and plug-ins and all electric cars.

3) Natural Gas - Santa Fé Trails was the first in the nation with total conversion. Natural gas was $1.50 cheaper than gasoline.

Chair Barrone asked about the average life span of engines using natural gas.

Mr. Messer said it was more than 250,000 miles

Mr. Burcham said the drawback was that fueling stations were expensive for CNG. They ran up to a million dollars. Smaller stations would take longer to fill. Garbage trucks filled up during the night.

Applications had to be right because conversions were not cheap but the payback could be within 3-5 years.

4) Propane. A lot of businesses have used propane forever like Schwann's. It is nontoxic and has a high octane rating. Less than 2% of propane was used in the US in transportation. It had lower GHG emissions and lower conversion costs. U-Haul has filling stations for propane.

Mr. Burcham brought handouts on propane and natural gas. He urged the Board to consider each option and to use both of them in their discussions.

Councilor Ring asked if there was a reason why E-85 was not included.

Mr. Burcham explained that E-85 had limited distribution. Most of it comes from out of state and transporting it here makes it less competitive.

Councilor Ring said there was a refinery in Portales.

Mr. Burcham said there was but they shut down. He added that hydrogen was the true fuel for the future. It was very expensive but was the fuel of the future. It was not a present-day option.

Chair Barrone asked about studies on longevity for motors. A million miles was common for diesel engines.

Mr.Messer said natural gas was not a carbon fuel so maintenance costs were very attractive.

Mr. Kelly thanked them for the presentation. He said currently in the state price agreement there were options for CNG and propane. Those were for 18 passengers or less. They would like the Board to consider those options for FY 15 - two 18-passenger units with CNG or propane for the local area.

The District could compare how they operated side by side - one with LP and one with CNG. The CNG bus would have to be stationed near Santa Fé to take advantage of the Santa Fé Trails filling station but propane was readily available throughout the RTD. We'd like to test these units ourselves and discover the idiosyncrasies.

Commissioner Chávez said based on the presentation and how Santa Fé Trails had done with CNG, he saw this as an investment in their future. But he didn't know if it was best to compare them. Since propane handles a larger area, he was leaning toward having propane for an 18-passenger and then the CNG for the other.

Chair Barrone said he used propane and diesel. He asked if there was specialized maintenance the Board needed to know about.

Mr. Bulthuis said certifications for the mechanics were required to have for CNG engines and also the storage of CNG. Santa Fé Trails' experience has been that once the kinks were worked out, the issues were behind them. CNG was reliable. Given the geography they served, the ability of CNG units without a secondary fueling site would be an issue so propane was probably the best option. But maybe a certain portion for CNG could be done as well. It makes sense to have those two options available.

Chair Barrone reminded them that the Board had talked about having our own fuel storage and he didn't know what problems there would be to store CNG here.

Mr. Bulthuis said he was late this morning because the City was committing to the next generation and the CNG fueling source to invest for the next 20 years. It was hundreds of thousands for CNG but only tens of thousands for propane. Without subsidies that would be difficult.

Commissioner Chávez said it seemed they had the money set aside to make this happen.

Mr. Mortillaro said they would have to budget for the upgrades so it would be for FY 15 to incorporate those costs into it. Doing it in FY 14 would depend on 5311 grant money for bus purchases. The amount would be around $90,000. They might also consider doing just one.

Commissioner Chávez understood but noted that the vehicles would be replaced anyway and one of those purchases could be propane or CNG.

Mr. Mortillaro said one of each would cost $42,000 for the equipment only.

Chair Barrone asked if they went to CNG whether they would have trouble finding fueling and whether they could piggyback on Santa Fé Trails' fueling station.

Mr. Kelly said Santa Fé Trails had their own fueling station but also had a commercial fast fill system for the public. The RTD driver could fuel the bus there after a daily run or beforehand without interfering with Santa Fé Trails buses. The District had two routes located there and both were 18 passenger buses.

Chair Barrone summarized the staff proposal was for two 18-passengers - one with propane and one with CNG.

Mr. Shelton thought it best to do both. He felt CNG was better for close-in areas. He had looked at it over the years as well. Based on the route, it was a good option. Propane was available in Taos. Now was the time to decide because it would affect our building plans.

Mr. Dwyer said Mr. Mortillaro would appreciate a motion even though there was no budget for FY 14.

Councilor Ring asked what the District expected to see with CNG over propane.

Mr. Kelly said the expectations were similar. The balance of CNG being low costs versus $750,000 for a fueling station here. If the District moved totally to CNG the cost of fuel was $1.50 but covering the facility costs would make it more like $2.50 per gallon. It might need more than one type of fuel.

Councilor Ring added that the terrain here was more difficult than down near Edgewood.

Mr. Kelly agreed. They might run both types in the Santa Fé area. Two LPG's could be run out of Española locations. A little bit in town and a little out of town would give a better comparison.

Councilor Ring wanted to test both in the same locality to give a better test comparison.

Commissioner Chávez moved to recommend option 2 to power one with propane and one with CNG.

Mr. Mortillaro suggested changing Option 2 to say "like routes and conditions."

Mr. Shelton supported that.

Councilor Ring suggested they could do same locations for part of test and then change to the other location.

Commissioner Chávez agreed. Mr. Shelton seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Española, City of Santa Fé, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against.

C. Discussion and Consideration of Resolution 2013-20 Adopting as Operating and Capital FY 14 Budget Amendment

Ms. Aragon read the proposed amendment which was on page 22 of packet. The reallocation of hours was on page 27. The FY 14 budget was about 1040 hours per year and this would add 52 hours per year. The additional hours would need to include some benefits. The Finance Committee met and recommended approval of this request.

Ms. Mermejo asked her to clarify in the resolution which federal grant was used in the resolution - 5311 or 5311A.

Commissioner Chávez asked if legal counsel could state where that fit.

Mr. Mortillaro proposed inserting "5311" in the third whereas between "remaining" and "capital funds."

Ms. Mermejo agreed.

Mr. Bulthuis moved to approve Resolution 2013-20, Adopting as Operating and Capital FY 14 Budget Amendment as amended. Commissioner Chávez seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Española, City of Santa Fé, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against.

Commissioner Chávez moved to take a five-minute break. Mr. Shelton seconded the motion and it passed by unanimous voice vote. The Board recessed at 10:36 a.m.

At 10:48 a.m. Mr. Shelton moved to reconvene. Councilor Salazar seconded the motion and it passed by unanimous voice vote.

D. Discussion and Consideration of Resolution 2013-21 Approving Annual Fourth Quarter Financial to DFA

Ms. Aragon reviewed the resolution and said DFA required the District to submit quarterly reports. The fourth quarter (year-end) report needed approval of a board resolution. Page 30 was the revenue report. In conversation with DFA, the District would receive funding. She just submitted the reimbursement request for July and that was not reflected in this report. So there was still some revenue coming in and remaining balances. The reconciliation was okay.

Commissioner Chávez asked if the resolution captured everything including the acceptance of the 4th quarter report. Ms. Aragon agreed.

Commissioner Chávez moved to approve Resolution 2013-21 Approving Annual Fourth Quarter Financial to DFA Councilor Salazar seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Española, City of Santa Fé, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against.

E. Discussion and Consideration of Resolution 2013-17 Regarding New Mexico State Public Employees' Retirement Association (PERA) Social Security Participation and Election Choices for NCRTD - and to appoint a referendum committee.

Mr. Mortillaro said the District found out it had not appropriately gone through the right process to provide for employees to participate in Social Security. It happened in 2005 when the RTD approved participation in PERA. When a government entity elects to participate in PERA it must determine if they wanted to participate in Social Security and therefore needed to amend the 218 agreement with the federal government and employees had to elect to participate in Social Security. When the first employee was hired the RTD should have done so then. The District wasn't informed that it should have gone through this election process about whether staff wanted to participate in Social Security. He, Ms. Aragon, Mr. Dwyer and a Social Security expert met with the PERA Legal Counsel and had been advised to fix the problem but not to change what they were doing now (participating in Social Security).

The process requires that the Board initially decide if employees should be in Social Security or not and if the Board decided to do so the RTD must provide social security coverage. Then they needed to decide when to hold the election. Then the employees would decide through a referendum as to their participation.

So the first decision was to determine if the Board wanted to provide Social Security or not. If the Board said no, then no employees would be covered under Social Security and the District would file for refund of Social Security payments for the last three years, three months and 15 days.

But if the Board decided to participate in Social Security then the Board would need to decide whether an individual election or a majority election would be done. If individual, it would only be for the current

employees and all future staff would be covered without choosing. If 51% choose to participate, it does not former employees.

They discussed this with the Finance Subcommittee and they recommended the Board provide Social Security and allow individual choice and also a supplemental pension system if an employee decided not to participate at no additional cost to the RTD. There were windfall and survivors' implications with Social Security. So they needed to provide ample opportunity for employees to educate themselves on it. There would be some costs related to that.

Mr. Dwyer said in 2005, the RTD elected to go into PERA but failed to choose Social Security and now they needed to correct that. He recommended they should go with individual choice because of collective bargaining for some staff. And individual choice would not impact future or past employees.

Ms. Aragon concurred.

Ms. Mermejo asked, if the Board opted to do individual choice, how that would affect PERA.

Mr. Dwyer said it wouldn't affect PERA. Social Security covered more than PERA did. The employees needed to have good advice.

Mr. Mortillaro said each employee's situation was different. If a former employer was not in Social Security and didn't have 40 quarters of coverage, they wouldn't be covered by Medicare or other Social Security benefits.

Ms. Mermejo felt they would drop like flies.

Councilor Salazar liked individual election rather than majority.

Councilor Ring asked then what choice future employees would have.

Mr. Mortillaro said there would be no choice. Social Security and PERA would be mandatory.

Mr. Dwyer said in that case the RTD would try to find a similar benefit for employees who opted out of Social Security. Ms. Aragon found this mistake while looking for NTTC certificates. It was important to know that the employees were already covered and important to note that employees might choose to not participate for take home pay reasons.

Mr. Mortillaro referred to page 34 and read the Finance Committee recommendations. In 5-b it said the maximum employee contribution to the supplemental pension plan would be 6.2% or anything less down to 1% and he needed a decision on that.

Councilor Ring asked if they wouldn't have a choice.

Mr. Mortillaro replied that some 401a plans were available to get the employer's maximum contribution employees had to make a matching contribution.

Mr. Dwyer added that the consultant believed the RTD was being extremely generous in this. Most employers give nothing. But Mr. Mortillaro didn't think that was fair. The consultant said she was pro Social Security. She would make it clear to the employee what benefit they would lose.

Commissioner Chávez moved to approve Resolution 2013-17 Regarding New Mexico State Public Employees' Retirement Association (PERA) Social Security Participation and Election Choices for NCRTD - and to appoint a referendum committee. Councilor Salazar seconded the motion.

Commissioner Chávez noted the resolution had a therefore statement (#4) to have sufficient funds to carry out the intention of the act. And on page 35, paragraph 5 it asked for a specific range of the amount to be contributed. Mr. Mortillaro agreed.

Commissioner Chávez asked if it would be appropriate to include that percentage in the resolution.

Mr. Mortillaro said no because this was what PERA required in the resolution. However, the Board could act by motion to set it. He suggested three motions. The first to approve the resolution. The second for setting an amount in the supplemental pension plan and third to make appointments for the referendum committee.

The motion to approve Resolution 2013-17 Regarding New Mexico State Public Employees' Retirement Association (PERA) Social Security Participation and Election Choices for NCRTD - and to appoint a referendum committee passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Española, City of Santa Fé, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against.

Commissioner Chávez asked which would be next.

Mr. Mortillaro referred to page 35, paragraph 5 regarding the supplemental pension system and the mandatory employee's contribution.

Chair Barrone moved to create a supplemental pension at a 4.2% contribution rate for employees. Commissioner Chávez seconded the motion.

Commissioner Chávez said obviously they had discussions on it so he was comfortable with it.

Mr. Bulthuis said the supplemental plan was only for current employees who opted out of Social Security. Mr. Mortillaro agreed and it was mandatory.

Mr. Dwyer said those employees would get a windfall and need to understand the tradeoff.

The motion passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Española, City of Santa Fé, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against.

Commissioner Chávez moved to accept the recommended appointments of Ms. Glenda Aragon, Mr. Francisco Burnett y Velarde and Ms. Dalene Lucero. Mr. Shelton seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Española, City of Santa Fé, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against.

F. Discussion and Consideration of Resolution 2013-16 Adopting the Fiscal Year 2014 Compensation Plan

Mr. Mortillaro reminded the Board they must adopt the compensation plan each year and the resolution would adopt the plan shown on page 46. The proposed compensation came out of the July Board meeting with very little movement in the ranges. Just two positions were adjusted. The budget was about $1,600 more for those two to be brought up to the range.

It also had a performance increase schedule as shown on page 47 in the packet. The current system was almost a pass-fail but the new one would allow the District to recognize and reward those non-represented employees who made an extra effort during the year. They were all evaluated on their anniversary date. There was no cost of living adjustment in this plan. It followed the same practice of the Board in prior years except for the performance schedule. Under the performance schedule those employees who were meeting expectations would receive an increase of 2% and exceeding expectations would provide a 3.5% increase. If employee was at the maximum pay rate the policy was not to add to the base pay but provide a lump sum salary distribution.

Councilor Ring asked how they arrived at their performance standard.

Mr. Mortillaro said the process was a performance management process and they had a form to use.

Mr. Mortillaro described how the performance was evaluated for each employee.

Councilor Ring asked then if the employee participated in the goal setting and agreement between employee and supervisor. Mr. Mortillaro agreed.

Ms. Mermejo moved to adopt Resolution 2013-16 adopting the Fiscal Year 2014 Compensation Plan as presented. Commissioner Chávez seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Santa Fé, Ohkay Owingeh, and San Ildefonso Pueblo voting in favor and none voting against. The City of Española was not present for the vote.

Ms. Mermejo excused herself from the meeting at 11:39 a.m.

G. Discussion and Consideration of Resolution 2013-19 amending rule 3 – Compensation and Classification within the Personnel Rules and Regulations

Mr. Mortillaro said this was an adjustment in the compensation policies that would align with the compensation study and approve some housekeeping items regarding these policies. There were no changes that would dilute the Board's authority but would enhance some areas of the Board's authority on wage and salary adjustments that now would require Board's approval. It also added clarification that none would apply to those represented by the union. Some things were moved around but for the most part it was clarifying.

Lastly 3.17 and 3.18 were new for compensation at separation such as property not returned to the District and that the District wouldn't make advances to employees or contributions to the benefit plan when employees were on LWOP. By the NM constitution, the District could not make those contributions when not getting their services.

Mr. Dwyer said it aligns the policy with the pay plan and clears up where the plan was tweaked over the years. The 3.15 red circle was a whole new part to the plan.

Commissioner Chávez moved to approve Resolution 2013-19 Amending rule 3 – Compensation and Classification within the Personnel Rules and Regulations as presented. Councilor Ring seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Santa Fé, City of Española, and San Ildefonso Pueblo voting in favor and none voting against. Ohkay Owingeh was not present for the vote.

Chair Barrone requested that the Board amend the agenda because of the time frame and move to the Closed Executive Session in case someone else needed to leave and cause loss of quorum.

Councilor Ring moved to amend the agenda, moving now to the Closed Executive Session. Commissioner Chávez seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Santa Fé, City of Española, and San Ildefonso Pueblo voting in favor and none voting against. Ohkay Owingeh was not present for the vote.

L. Closed Session - Pursuant to NMSA 1978, Section 10-15-1 (H) (7), subject to the attorney-client privilege regarding Threatened or Pending Litigation arising from District Compliance with laws regarding retirement benefits.

Mr. Shelton moved to go into closed executive session pursuant to NMSA 1978, Section 10-15-1 (H) (7), subject to the attorney-client privilege regarding Threatened or Pending Litigation arising from District Compliance with laws regarding retirement benefits. Councilor Ring seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Santa Fé, City of Española, and San Ildefonso Pueblo voting in favor and none voting against. Ohkay Owingeh was not present for the vote.

The Board went into closed session at 11:47 a.m. Mr. Kelly and Ms. Aragon were asked to remain.

M. Reconvene in Open Session

At 12:10 p.m. the closed session ended.

Commissioner Chávez moved to return to Open Session, noting that during the closed session no action was taken and the only matters discussed were those pursuant to NMSA 1978, Section 10-15-1 (H) (7), subject to the attorney-client privilege regarding Threatened or Pending Litigation arising from District Compliance with laws regarding retirement benefits. Councilor Ring seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Santa Fé, City of Española, and San Ildefonso Pueblo voting in favor and none voting against. Ohkay Owingeh was not present for the vote.

10. DISCUSSION ITEMS

H. Financial Report for June and July 2013

Mr. Mortillaro said there were still a few things rolling in. At the July 13 Board meeting they were to be able to review June. It was on page 62 to 73 in the packet.

Ms. Aragon reviewed the revenue total, federal funding, match, and GRT revenue through May. The June GRT was not in yet. The details were presented on pages 70-73. Overall the financial records were ready to start doing the audit and entering into an agreement for audit services.

The July statements were as of July 23rd. No revenues were recorded in July. . Expenditures were at 0.7% for the fiscal year.

Chair Barrone asked if the district-wide GRT revenue was up.

Ms. Aragon said with the exception of Los Alamos County it was. They requested Los Alamos GRT by end of the month.

Mr. Mortillaro said GRT revenues from Los Alamos County was off this year and the Board had talked about the reasons for that. It continued to fluctuate and at mid-year the Board adjusted the budget to allow for the shortfall. In September the District would see how well we did with those adjustments. That was from the drop in Lab spending.

Ms. Aragon said GRT was at about 90% not including June revenues.

There were no questions from the Board.

I. Finance Subcommittee Report

Mr. Vigil was not present to give the report.

Mr. Mortillaro said they met on July 26 and of the items discussed were items that came forward to the Board and acted on today. The only other item on the agenda was the NMDOT Inspector General Compliance Audit. In October, 2011 the District was informed by the NMDOT IG they had a complaint from a citizen alleging the District had not expended its federal pass through funding for the Fiscal Years 2008-2011.

It took them 20+ months to complete and once completed, they didn't give the Report to the RTD but gave one to NMDOT Rail Division and District staff went to look at it so Ms. Aragon and he did and provided responses to the findings and then the DOT IG didn't like the responses so they didn't include those response nor provide a final report to the District. He went and requested it and it is available to any board members who wanted a copy.

The Transit and Rail Division wasn't able to respond to a number of findings since they were not a party to it.

Most times the auditor provides a draft report and then they would sit down with management and provide the auditor with additional information. But here there was no opportunity to do that. But they didn't find any misappropriation of federal funds and it was all from a time of the prior administration and most of the Board as well.

They brought up things like some of our employees were accruing higher holiday and sick leave than the state allowed. So he had to inform them that the RTD had its own personnel policies and those who were accruing higher leave accruals were former employees of the City of Española and Rio Arriba County and were covered by a consolidation contract with their former employers. Another was their claim that NMDOT should have approved the Executive Director's contract and not the RTD Board. Mr. Dwyer had to inform them that Mr. Mortillaro was not a subcontractor to NMDOT.

There was nothing in their audit that showed any impropriety by the prior administration.

Mr. Dwyer said there was a finding on training but that was before the current administration.

Ms. Aragon said the internal controls were adequate and even management stuff was not out of compliance.

J. Tribal Subcommittee Report

There was no Tribal Subcommittee Report.

K. Executive Report for July 2013 and Comments from the Executive Director

1) Executive Report

2) **Performance Measures**

3) **Ridership Report for June 2013**

The reports were in the packet.

11. MATTERS FROM THE BOARD

Commissioner Chávez announced that the Santa Fé County Commission would appoint him as the representative and Commissioner Anaya as the alternate. He was committed to do a monthly report to them from the NCRTD so all Commissioners were up to speed on all that the District was doing and he would need some help from this staff to do that.

Mr. Mortillaro said staff would assist him and work with Rita Maes too. He asked if Commissioner Chávez would report at their first meeting of the month or last meeting of the month.

Commissioner Chávez said they would work that out.

Chair Barrone said he was approached by Sipapu and Board members had a copy of a letter by Chairman Barrone request an assessment about making a stop there. Sipapu is a ski and summer resort. He told them how the RTD does routes and they might have to pay for the service. He promised they would do a need assessment and it would be brought up in the September Board meeting.

Councilor Ring moved to direct staff to put the Sipapu request on the September agenda. Mr. Shelton seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Town of Edgewood, City of Santa Fé, City of Española, and San Ildefonso Pueblo voting in favor and none voting against. Ohkay Owingeh was not present for the vote.

Councilor Ring excused himself from the meeting. He said they had a ribbon cutting ceremony for the equestrian facility in Edgewood and a horse show there this weekend.

12. MISCELLANEOUS

Mr. Mortillaro noted that Ms. Lucero had passed out conflict of interest forms for completion and they also needed the IGCs as well.

Lastly, he announced that they did start the commercial ad programs and now had four buses with advertising on them. They were glad to see that program starting.

13. ADJOURNMENT

NEXT BOARD MEETING: September 6, 2013 at 9:00 a.m.

Councilor Salazar moved to adjourn the meeting. Mr. Shelton seconded the motion and it passed by unanimous voice vote.

The meeting was adjourned at 12:31 p.m.

Approved by:

Daniel R. Barrone, Chair

Attest:

Geoffrey Rodgers, Secretary

Submitted by:

Carl Boaz, Stenographer